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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DORF-KETAL CHEMICALS INDIA PVT LTD.

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **DORF-KETAL CHEMICALS INDIA PVT LTD**. (hereinafter referred to as "the Holding Company") and its subsidiaries, its associates and jointly controlled entities, (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year ended and the Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements including a summary of the significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of Companies Act, 2013. We believe that the audit evidence obtained by us along with the is sufficient and appropriate to provide a basis for our opinion.

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Information Other than Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using Going Concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements.

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements/information of seven subsidiaries [i.e. Dorf Ketal Chemicals Pte. Ltd., Dorf Ketal Chemicals (Shanghai) Ltd., Dorf Ketal Chemicals FZE, Dorf Ketal Chemicals (Malaysia) SDN. BHD., Dorf Ketal Brasil Ltda. and Dorf Ketal Chemicals LLC and Khyati Chemicals Private Limited], whose financial statements/information reflect total assets of Rs. 27,38,53,37,394/- and total liabilities of Rs. 17,46,36,65,035/- as at March 31, 2023 and total revenue of Rs. 28,09,51,93,935/- for the year ended on that date, as considered in the Consolidated Financial Statements, which also include their step down jointly controlled companies. This financial statements/ information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and their step down jointly controlled companies, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements/information of two subsidiaries [i.e. Dorf Ketal B.V. and Dorf Ketal Chemicals UK Private Limited], whose financial statements/information reflect total assets of Rs. 1,14,67,72,971/- and total liabilities of Rs. 1,01,33,11,434/- as at March 31, 2023 and total revenue of Rs. 1,56,56,48,333/- for the year ended on that date, as considered in the Consolidated Financial Statements, which also include their step down jointly controlled companies. This financial statements/information have not been audited by us. This financial statements/information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and

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jointly controlled companies and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled companies, is based solely on such unaudited financial statements/information.

Our opinion on the Consolidated Financial Statements and our report on other legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled companies incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group Companies

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and jointly controlled companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The pending litigations of the Company would not have any adverse impact on the Financial Position of the Company;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts;

(iii) The Company is not required to transfer any funds to investor education and protection fund.

(iv) a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than those disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than those disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Holding Company, its subsidiaries and associates incorporated in India have not declared any dividend during the year.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and it subsidiaries which are incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Annexure -1

To the Independent Auditors' Report of even date on the Consolidated Financial Statements of Dorf Ketal Chemicals India Pvt Ltd.

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For and on behalf of
NGPC & Co.
Chartered Accountants
Firm's registration number: 147454W

Navnit S. Gajja

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

NAVNIT S GAJJA
Partner
M No: 112458
Place: Mumbai
Date: 26-06-2023
UDIN: 23112458BGYPSF1664

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"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Dorf-Ketal Chemicals India Private Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DORF-KETAL CHEMICALS INDIA PVT LTD**. (hereinafter referred to as "the Company") and its subsidiaries, its associates and jointly controlled entities, (collectively referred to as 'the Group') as of March 31, 2023 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
NGPC & Co.
Chartered Accountants
Firm's registration number: 147454W

Navnit S. Gajja

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

NAVNIT S GAJJA
Partner
M No: 112458
Place: Mumbai
Date: 26-06-2023
UDIN:23112458BGYPSF1664

Dorf Ketal Chemicals (I) Private Limited
Consolidated Balance Sheet As at March 31, 2023

(Amt ₹ in Million)

Particulars	Note	Figures in ₹ As at 31st March, 2023		Figures in ₹ As at 31st March, 2022	
I. ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2	4,377		3,376	
(b) Right to use asset	2.1	738		456	
(b) Capital work-in-progress	3	1,176		750	
(c) Goodwill	4	540		513	
(d) Other Intangible assets	4	5,390		360	
(e) Financial Assets					
(i) Investments in Subsidiaries , Associates and Joint Venture	5	87		28	
(ii) Other Investments	6	0		0	
(iii) Loans	7	355		122	
(iv) Others	8	84		48	
(g) Income Tax Assets (net)	9	201		591	
(h) Other non-current Assets	10	151		104	
Total Non Current Assets			**13,100**		**6,407**
(2) Current assets					
(a) Inventories	11	10,958		6,134	
(b) Financial Assets		-		-	
(i) Investments	12	691		2,154	
(ii) Trade receivables	13	9,668		6,465	
(iii) Cash and cash equivalents	14	3,479		1,775	
(iv) Bank balances other than cash and cash equivalents	14.1	733		482	
(v) Loans	15	167		153	
(vi) Others	16	16		127	
(d) Other current assets	17	768		755	
Total Current Assets			**26,480**		**18,044**
TOTAL ASSETS			**39,580**		**24,451**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	18	2,468		2,468	
(b) Other Equity	19	17,435		12,505	
Total Equity			**19,902**		**14,973**
Non controlling interest	20		380		235
Liabilities					
(1) Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	21	5,315		779	
(b) Deferred tax liabilities (Net)	22	143		268	
(c) Other non-current liabilities	23	56		64	
(d) Provisions	24	80		18	
Total Non Current Liabilities			**5,595**		**1,129**
(2) Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	25	9,010		4,143	
(ii) Trade payables	26			-	
Total outstanding dues of Small enterprises & Micro Enterprises		26		8	
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,532		2,047	
(iii) Others	27	28		-	
(b) Other Current Liabilities	28	1,315		991	
(c) Provisions	29	793		925	
Total Current Liabilities			**13,704**		**8,113**
TOTAL EQUITY AND LIABILITIES			**39,580**		**24,451**

As per our report of even date

For M/s NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S. Gajje

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:02487658

Subodh Menon
Director
DIN:00972842

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

Dorf Ketal Chemicals (I) Private Limited

Consolidated Profit and Loss Statement for the year ended March 31, 2023

(Amt ₹ in Million)

	Particulars	**Note**	**Figures in ₹ 2022-23**	**Figures in ₹ 2021-22**
I	Revenue from operations (net)	30	39,263	26,780
II	Other income	31	616	532
III	**Total Income (I+II)**		**39,879**	**27,312**
IV	**EXPENSES**			
	Cost of materials consumed	32	20,788	14,781
	Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	33	-252	105
	Employee benefits expense	34	5,142	3,793
	Finance costs	35	509	223
	Depreciation and amortisation expense	36	915	686
	Other expenses	37	6,324	4,184
	Total Expenses (IV)		**33,426**	**23,772**
V	**Profit/(loss) before exceptional items and tax**		**6,453**	**3,540**
	Exceptional Items	37.1	218	201
VI	**Profit/(loss) before tax**		**6,235**	**3,339**
VII	**Tax Expenses :**			
	Current Tax	38	1,323	801
	Deferred Tax	38	125	(56)
	MAT Credit Entitlement for the year	38	381	147
	MAT Entitlement for Earlier Years	38	-	-
	Other taxes	38	-	0
VIII	**Profit/(loss) for the year (V - VI)**		**4,406**	**2,447**
IX	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeaurement of defined benefit plans Liability/(Asset)		21	7
	- Income tax relating to items that will not be reclassified to statement of profit or loss		-7	-3
	(ii) Items that will be reclassified to Statement of profit or loss		0	-
	- Effective Portion of (Gains)/losses on hedging instruments in cash flow hedges		138	-81
	- Income tax relating to items that will be reclassified to statement of profit or loss		-79	28
X	**Total Comprehensive Income for the period (VII + VIII)**		**4,334**	**2,494**
XI	**Net Profit Attributable To:**			
	a) Owners of the Company		4,262	**2,330**
	b) Non Controlling Interest		144	117
XII	**Other Comprehensive Income Attributable To**			
	a) Owners of the Company		**(73)**	**48**
	b) Non Controlling Interest		**-**	**-**
XIII	**Total Comprehensive Income attributable to:**			
	a) Owners of the Company		**4,189**	**2,378**
	b) Non Controlling Interest		**144**	**117**
XIV	**Basic and Diluted (in Rupees)**		**0**	**0**
	Significant Accounting Policies	**1**		
	Notes forming part of Financial Statements	**2 to 54**		

As per our report of even date

For M/s NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

NGPC & CO. CHARTERED ACCOUNTANTS 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104.

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:02487658

Subodh Menon
Director
DIN:00972842

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

Dorf Ketal Chemicals (I) Private Limited
Consolidated Cash Flow For the Year 31st March 2023

(Amt ₹ in Million)

		Figures in ₹ 2022-23		Figures in ₹ 2021-22	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		**6,453**		**3,540**
	Adjustments for :				
	Depreciation	915		686	
	Amortisation Expenses of Leasehold Land	3		3	
	Effect of Exchange Rate Change/ Unrealise Exchange Loss	-		-	
	Interest & Finance Charges	509		223	
	Adjustments in Reserves	141		(824)	
	Net gain on fair valuation of Investments through profit and loss	-		-	
	Net gain on Fair valuation of Derivatives through profit and loss	2		(15)	
	Acturial Gains/(Loss) remeasured to OCI	(14)		(5)	
	Expected Credit Loss on Trade Recievable	19		16	
	Non controlling interest	(144)		(117)	
	Interest & Dividend Income	(42)	**1,390**	(9)	**(42)**
	Operating Profit before Working Capital Changes		**7,843**		**3,498**
	Adjustments for:				
	Trade Receivables	(3,222)		(2,250)	
	Inventories	(4,824)		(1,661)	
	Loans	(247)		(24)	
	Other financial assets	75		(97)	
	Other Current asset	(13)		(266)	
	Other Non Current Assets	339		(387)	
	Other Non Current Liabilities	54		5	
	Trade and other payables	503		464	
	Other Current Liabilities	324		507	
	Other Financial Liability & Provisions	(105)	**(7,116)**	(18)	**(3,729)**
	Cash generated from Operations		**726**		**(231)**
	Other Comprehensive Income		**(59)**		**52**
	Income Tax Paid		**(1,448)**		**(745)**
	Deferred Revenue Exp				
	Deferred Tax Adjustments		**(65)**		**649**
	NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES		**(845)**		**(274)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, plant and equipment		**(7,682)**		**(803)**
	Purchase of Fixed/ Term Deposits and Margin Mondf held with Banks		-		-
	Purchase of Investments in Mutual Fund and Equity		**1,463**		**(1,862)**
	Purchase of Non- current Investments		**(60)**		**(27)**
	Non current financial asset				
	Interest Received		**42**		**9**
	Dividend Received		-		-
	NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		**(6,236)**		**(2,683)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long term borrowings		**4,535**		**230**
	Proceeds from Short Term borrowings		**4,867**		**1,594**
	Proceeds from Equity		**0**		**705**
	Movement in Non controlling interest		**145**		**32**
	Interest & Finance Charges		**(509)**		**(223)**
	Dividend Paid				
	NET CASH FLOW FROM FINANCING ACTIVITIES		**9,038**		**2,339**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)**		**1,956**		**(618)**
	CASH AND CASH EQUIVALENTS, beginning of the year		**2,256**		**2,874**
	Foregin Exchange Translation Impact				
	CASH AND CASH EQUIVALENTS, end of the year		**4,213**		**2,256**

As per our report of even date

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

NGPC & CO. CHARTERED ACCOUNTANTS 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104.

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

Subodh Menon
Director
DIN:00972842

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

Dorf-Ketal Chemicals India Private Limited
Statement of Changes in Equity for the year ended March 31, 2023
(Amt ₹ in Million)

A Equity share capital **Figures in ₹**

Particulars	Amount
As at March 31, 2021	**1,763**
Changes in equity share capital	705
As at March 31, 2022	**2,468**
Changes in equity share capital	
As at March 31, 2023	**2,468**

B Other Equity **Figures in ₹**

Particulars	Other equity													Total equity
	Reserves and Surplus											Other Comprehensive Income		
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation Reserve	Statutory Reserve	Foreign Exchange Capital Reserve	Foreign Currency Translation Reserve	General Reserve	Revaluation Reserve	Special Economic Zone Re-investment Reserve	Retained Earnings / Surplus	Other items of other comprehensive income	Effective Portion of Gains/(losses) on hedging instruments in cash flow hedges	
Balance as on March 31, 2021	**226**	**1,156**	**20**	**0**	**3**	**124**	**-26**	**109**	**0**	**0**	**9,006**	**-18**	**4**	**10,603**
Add: Profit for the year/Changes during the year	44	0	0	0	0	35	87	0	0	237	2,330	-5	52	2,780
Adjustment in reserves	0	0	0	0	0	0	0	0	0	0	-878	0	0	(878)
Balance as on March 31, 2022	**269**	**1,156**	**20**	**0**	**3**	**159**	**60**	**109**	**0**	**237**	**10,458**	**-23**	**57**	**12,505**
Add: Profit for the year/Changes during the year	30	0	0	0	0	91	14	0	102	32	4,285	-14	-59	4,482
Adjustment in reserves	0	0	0	0	0	0	0	0	0	0	533	0	0	533
Balance as on March 31, 2023	**299**	**1,156**	**20**	**0**	**3**	**250**	**75**	**109**	**102**	**269**	**15,276**	**-37**	**-2**	**17,520**

As per our report of even date
For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

NGPC & CO.
104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:02487568

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Subodh Menon
Director
DIN:00972842

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

NOTE 1

(A) General information

The Consolidated Financial Statements comprise financial statements of "Dorf Ketal Chemicals Industries Private Limited" ("the Holding Company") and its subsidiaries, Joint Venture and Associates. (collectively referred to as "the Group") for the year ended 31st March, 2023. The registered office of The Group is located at Plot No. 2, Block-F, Sector-12N, Adani Ports and SEZ, Taluka – Mundra, Dist. – Kutch 370 421. Gujarat. India.

The Company was founded in 1992 and manufactures process chemicals and additives for refining petrochemicals, fuels, lubricants and oil stimulation industries. The Company also manufactures speciality chemicals such as organometallic catalysts and adsorbent catalysts.

(B) Basis of preparation

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The financial statements have been prepared under the historical cost convention except for the certain Financial Assets / Liabilities at Fair value

The financial statements are presented in Indian Rupees ( ) and all values are rounded to the nearest millions.

(C) Basis of consolidation

(1) The Group assesses control in the following manner:

- power over the investee;
- exposure or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group consolidates only when control is established considering the above.

The Consolidated Financial Statements are prepared using uniform accounting policies of the Holding Company and adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March 2023.

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Parent and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Ind AS 110 "Consolidated Financial Statements". Further, the carrying amount of the Parent's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.
ii. The consolidated financial statements include the share of profit / loss of an Associate companies and Joint Venture which have been accounted for using equity method as per Ind

AS 28 “Investment in Associates and Joint Ventures”. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss (the loss being restricted to the cost of investment) of the investee after the acquisition date.

iii. Profit or loss and each component of Other Comprehensive Income (the ‘OCI’) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

iv. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries, as on the date of investment is in excess of cost of investments of the Group, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves & Surplus’, in the consolidated financial statements.

v. Non-Controlling Interest (NCI) is the interest of minority shareholders in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year and each component of Other Comprehensive Income of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of The Group.

vi. The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve.

vii. Goodwill arising on consolidation is not amortised but tested for impairment.

viii. An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

ix. An investment in an Associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an Associate or a Joint Venture. Under the equity method, an investment in an Associate or a Joint Venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and Other Comprehensive Income of the Associate or Joint Venture.

x. Distributions received from an Associate or a Joint Venture reduce the carrying amount of the investment. When the Group’s share of losses of an Associate or a Joint Venture exceeds the Group’s interest in that Associate or Joint Venture the Group discontinues recognising its share of further losses.

(2) Fair Value Measurement

The Group measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which The Group has access at that date.

While measuring the fair value of an asset or liability, The Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, The Group measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then The Group uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then The Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

(3) Use of Judgment and Estimates

The preparation of The Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.
In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

i. Assessment of Functional Currency
ii. Financial Instruments
iii. Estimates of Useful lives and residual value of Property, Plant & Equipment and Intangible Assets
iv. Valuation of Inventories
v. Measurement of Defined Benefit Obligations & Actuarial Assumptions
vi. Provisions and Contingencies
vii. Impairment of Trade Receivables
viii. Evaluation of Recoverability of Deferred Tax Assets

(D) SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

i) Recognition and Measurement

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Depreciation

Depreciation on Property Plant and Equipment is provided on a pro-rata basis on Straight Line Method (SLM) for all locations except Lote unit which follows Written Down Value Method(WDV) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives of the various assets under Property, Plant and Equipment range as follows:

- Factory Buildings - 30 years
- Office Buildings- 60 years
- Plant and Machinery - 7 to 20 years
- Furniture and Fixtures - 10 years
- Office Equipment – 5/6 years
- Vehicles – 8 years
- Computers- 3 years

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition

b) Intangible Asset

Intangible assets other than Goodwill are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalised and is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, The Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

Goodwill represents the cost of the acquired business in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is not amortized; however, it is tested annually for impairment and carried at cost less accumulated impairment losses, if any. The gains/(losses) on the disposal of an entity include the carrying amount of Goodwill relating to the entity disposed.

Intangible assets such as Goodwill are construed to be perpetual in nature and are not amortised, but are tested for impairment annually. The factors determining perpetuity are reviewed at each period in order to ascertain whether events and circumstances continue to support an indefinite useful life. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

Software is amortised over a period of 3/5 years on straight line basis.

c) Capital work-in-progress
Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

d) Impairment of Non-Financial Assets
The carrying values of non-financial assets other than inventory and deferred tax / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

e) Business Combinations
The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19-Employee benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the aquiree, and the fair value of acquirer's previously held equity instrument in the aquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date, is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

Measurement period adjustments are adjustments that arise from additional information during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in Other Comprehensive Income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

f) Financial Assets and Investments

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Initial Recognition and Measurement

At initial recognition, in the case of a financial asset measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of such financial asset are expensed in the statement of profit or loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

iii) Subsequent Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on The Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which The Group classifies its debt instruments:

- Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair Value Through Other Comprehensive Income(FVOCI)

Assets that are held for collection of contractual cash flows and for selling, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value Through Profit and Loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as ‘Other Income’ in the Statement of Profit and Loss.

Equity Instruments

The Group subsequently measures all equity investments except for Investments in equity instruments of Subsidiaries, Associates & Joint ventures at fair value. Where The Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as Other Income when The Group's right to receive payments is established.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognised in Other Income in the statement of profit and loss.

Investments in equity instruments of Subsidiaries, Associates & Joint ventures is recognised at Cost and reviewed for impairment at each reporting date.

iv) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how The Group determines whether there has been a significant increase in credit risk. For trade receivables, The Group applies the simplified approach permitted by Ind AS 109 "Expected Credit Loss' model of Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v) De-recognition of financial assets

A financial asset is derecognised only when The Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, The Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset and The Group has not retained control of the financial asset. In such cases, the financial asset is derecognised.

g) Financial Liabilities

i) Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

ii) Measurement

<u>Initial Recognition</u>

Financial liabilities are initially recognised when The Group becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value and for an item not at fair value through profit and loss, transaction costs are directly attributed to its acquisition or issue.

<u>Subsequent Measurement</u>

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

- Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- Amortised Cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the Effective Interest Rate(EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

h) Derivative Financial Instruments

The Group uses derivative financial instruments to manage the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

i) Hedge Accounting

The Group designates hedging instruments in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investment in foreign operations. At the inception of hedge relationship, The Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, The Group documents whether the hedging instrument is highly effective in offsetting changes in the fair values or the cash flows of the hedged item attributable to the hedged risk.

ii) Fair Value Hedges

The Group designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in Fair Value of the hedging instrument are recognised in Profit & Loss immediately, together with any changes in the fair value of the hedged items. Hedge Accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

iii) Cash Flow Hedges

Hedges taken to manage the risk of changes in foreign exchange rates of highly probable forecast transactions are classified as Cash Flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income (OCI) and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion (if any) is recognised immediately in profit or loss, Amounts previously recognised in Cash flow hedging reserve (effective portion as described above) are reclassified to profit and loss upon the occurrence of the underlying transaction. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from Cash flow hedging reserve and included in the initial measurement of the non-financial asset or non-financial liability.

iv) Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss in other comprehensive income is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in Other Comprehensive Income is recognised immediately in profit or loss.

v) Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other Income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are classified to profit or loss on disposal of the foreign operation.

i) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of The Group or the counterparty.

j) Inventories

Items of inventories are measured at lower of cost and Net Realisable Value after providing for obsolescence, if any. Cost of manufactured inventory comprises of cost of conversion and manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on a weighted average basis.

k) Cash and Cash Equivalent

Cash and Cash Equivalent includes cash at bank, cash, cheques/draft on hand and demand deposits with an original maturity of less than 3 months, which are subject to an insignificant risk of changes in value. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and which are readily convertible into known amounts of cash to be cash equivalents.

l) Revenue Recognition

i) Revenue from Sale of Products

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration in exchange for the transferred goods or services. Revenue is net of taxes, rebates and returns.

ii) Interest

Interest income from a financial asset is recognised on a time proportionate basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to The Group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

iii) Dividend

Dividend is recognised when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

m) Employee Benefits

In respect of the Company and domestic subsdiaries:

i) Short Term Employee Benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

ii) Post-employment benefits/Retirement Benefits

- Defined Contribution Plans

Obligations for contributions to defined contribution plans such as Provident Fund, Labour Funds are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

- Defined Benefit Plans

The Group's net obligation in respect of defined benefit plans for gratuity is calculated at each reporting period end by a qualified actuary using the Projected Unit Credit method. The Group contributes the amount so determined to a separate Trust.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognised in other comprehensive income.

- Other long-term employee benefits

Liability towards unfunded Long Term Compensated Absences is determined on an actuarial valuation basis by using Projected Unit Credit method.

- Termination benefits (if any)

Expenditure on account of Termination benefits are charged to Statement of Profit and Loss as and when incurred.

In respect of overseas subsidiaries, the liabilities of employee benefits are determined and accounted as per the regulations and principles followed in the respective countries.

n) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right of use assets are depreciated over the respective lease term of 22 and 75 years. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

- Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

o) Income Taxes

i) Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

ii) Deferred Taxes

Deferred tax is provided using the Balance Sheet method on all taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

q) Provisions, Contingent Liabilities and Capital Commitments

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of The Group, or present obligations where it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

r) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

s) Transactions in Foreign Currency

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

t) Borrowing Costs
Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. It also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.
Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(E) Recent Pronouncements
On March 31, 2023, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 Presentation of Financial Statements
  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 12 – Income Taxes
  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the

recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
  The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 41 – Annual Improvements to Ind AS (2022)
  The amendment removes the requirements in Ind AS 41 for entities to exclude cash flows for taxation and measuring fair values. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair value measurements. The Group does not expect this amendment to have any significant impact in its financial statements.

For NGPC & CO.

Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sudhir Menon	**Subodh Menon**
Chairman and Managing Director	**Director**
DIN:00972842	**DIN:00972842**
Vijaykumar Malpani	**Rajdeep Shahane**
Chief Financial Officer	**Company Secretary**

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Date: June 26, 2023

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

Note 2 : Property, Plant & Equipment (Amt ₹ in Million)

A : Tangible Assets										
Particulars	**Freehold Land**	**Building - Office**	**Building - Factory**	**Plant and Machinery**	**Furniture's & Fixtures**	**Office Equipment's**	**Motor Vehicles**	**Computers**	**Others**	**Total**
Gross Carrying amount										
Balance as at March 31, 2021	54	212	1,609	2,661	173	43	291	192	72	5,307
Additions / Deletion	(40)	61	(63)	1	24	25	98	17	3	125
Exchange Difference on Translation	1	3	9	50	2	1	13	3	3	85
Balance as at March 31, 2022	15	275	1,555	2,712	199	68	402	212	78	5,517
Additions / Deletion	-	33	336	736	24	91	157	30	9	1,416
Exchange Difference on Translation	-	8	17	112	3	3	30	8	8	189
Balance as at March 31, 2023	15	316	1,907	3,561	226	163	589	249	96	7,122
Accumulated depreciation										
Balance as at March 31, 2021	-	18	247	1,098	119	23	40	146	56	1,747
Additions / Deletion	-	15	12	117	5	16	167	8	6	347
Exchange Difference on Translation	-	1	3	29	1	1	8	3	3	48
Balance as at March 31, 2022	-	34	262	1,244	126	40	215	157	65	2,142
Additions / Deletion	-	8	78	335	13	22	6	19	6	487
Exchange Difference on Translation	-	4	5	69	2	2	22	6	7	116
Balance as at March 31, 2023	-	45	344	1,649	141	65	242	181	79	2,745
Net Carrying amount										
Balance as at March 31, 2023	15	271	1,563	1,912	86	98	347	68	18	4,378
Balance as at March 31, 2022	15	242	1,294	1,468	73	28	188	55	13	3,376
Balance as at March 31, 2021	54	194	1,363	1,562	54	19	252	46	16	3,560

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(i) Assets given as security for borrowings

The Company has given PPE to lenders as security for various borrowing facilities. (refer note 22 and 25)

Note 2.1 : Right to use Assets

Particulars	Right-to-use Assets
Gross Carrying amount	
Balance as at March 31, 2021	510
Additions / Deletion	(40)
Exchange Difference on Translation	7
Balance as at March 31, 2022	476
Additions / Deletion	319
Exchange Difference on Translation	16
Balance as at March 31, 2023	811
Accumulated depreciation	
Balance as at March 31, 2021	34
Additions / Deletion	(16)
Exchange Difference on Translation	2
Balance as at March 31, 2022	20
Additions / Deletion	47
Exchange Difference on Translation	6
Balance as at March 31, 2023	73
Net Carrying amount	
Balance as at March 31, 2023	738
Balance as at March 31, 2022	456
Balance as at March 31, 2021	475

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

Note 3: Capital work-in-progress (CWIP)

Particulars	Amount
Gross Carrying Amount	
Balance as at March 31, 2021	292
Additions /(Deletions)	457
Exchange Difference on Translation	1
Balance as at March 31, 2022	**750**
Additions /(Deletions) (Note-1)	415
Exchange Difference on Translation	11
Balance as at March 31, 2023	**1,176**
At March 31 2023	**1,176**
At March 31 2022	**750**
At March 31 2021	**292**

Note-1: During the year, Dorf Ketal Chemicals FZE has certain assets which were a part of Clariant's business vide asset purchase agreement dated 26-10-2022, consumated on 31-03-2023. Since the allocation schedule of the Asset Purchase Agreement has not been finalised by the US Seller as per para 2.09 of the said agreement, the assets purchased of USD 4.4Mn (equivalent INR 36.79 Mn) have been grouped in the additions under Capital work-in-progress.

3.1 Capital Work-in progress ageing

Ageing for capital work-in-progress as at March 31, 2023 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	829	287	4	36	1,156
Total	**829**	**287**	**4**	**36**	**1,156**

Ageing for capital work-in-progress as at March 31, 2022 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	615	80	53	2	750
Total	**615**	**80**	**53**	**2**	**750**

3.2 Capital Work-in progress completion schedule

Completion Schedule for capital work-in-progress as at March 31, 2023 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects to be Capitalised	1,156	-	-	-	1,156
Total	**1,156**	**-**	**-**	**-**	**1,156**

Completion Schedule for capital work-in-progress as at March 31, 2022 is as follows :

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects to be Capitalised	750	-	-	-	750
Total	**750**	**-**	**-**	**-**	**750**

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

Note 4: Goodwill and other intangible Assets

Particulars	Goodwill (incl Goodwill on Account of Merger & Acquisitions)	Software's	Non-compete agreement, Acquired contracts	Trade Marks/ Brand Identity	Patents	Customer Contracts	Loan Processing Fees	Others	Total
Gross Carrying amount									
Balance as at March 31, 2021	**513**	**3**	**-17**	**134**	**248**	**691**	**-11**	**158**	**1,720**
Additions / Deletions	0	0	0	0	0	0	0	-7	-7
Exchange Difference on Translation	0	0	3	5	16	45	0	6	75
Balance as at March 31, 2022	**513**	**3**	**-14**	**139**	**264**	**736**	**-11**	**156**	**1,787**
Additions / Deletions (Note-2)	27	0	47	355	0	0	0	4,677	5,106
Exchange Difference on Translation	0	0	7	12	38	107	0	106	271
Balance as at March 31, 2023	**540**	**4**	**41**	**505**	**302**	**843**	**-11**	**4,940**	**7,164**
Accumulated amortisation									
Balance as at March 31, 2021	**0**	**1**	**-27**	**0**	**189**	**526**	**-11**	**31**	**709**
Additions / Deletions	0	0	1	0	34	96	0	14	145
Exchange Difference on Translation	0	0	3	0	15	41	0	1	60
Balance as at March 31, 2022	**0**	**2**	**-23**	**0**	**238**	**663**	**-11**	**46**	**914**
Additions / Deletions		0	22	92	28	78	0	-49	0
Exchange Difference on Translation		0	7	0	37	102	0	3	0
Balance as at March 31, 2023	**0**	**2**	**6**	**92**	**302**	**843**	**-11**	**0**	**914**
Net Carrying amount									
Balance as at March 31, 2023	**540**	**2**	**35**	**414**	**0**	**0**	**-**	**4,940**	**5,929**
Balance as at March 31, 2022	**513**	**2**	**9**	**139**	**26**	**73**	**-**	**110**	**873**
Balance as at March 31, 2021	**513**	**2**	**10**	**134**	**59**	**165**	**-**	**127**	**1,010**

Note-2: During the year, Dorf Ketal Chemicals FZE one of the subsidiaries has acquired Technical Know-How vide Purchase and Sale Agreement dated 22-12-2022 of USD 52 Mn (equivalent INR 4,266 Mn/-). The said purchase of techinical know-how has been grouped under additions of other intangible assets

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

4.1 Goodwill

1 During the year Khyati Chemicals Pvt. Ltd. has been acquired by the Parent Company vide Share Purchase Agreement dated February 9, 2022 and consumated on April 8, 2022. For the purpose of consolidation, the assets of Khyati Chemicals Pvt. Ltd. have been fair valued as on date of acqusition and goodwill has been recognised as under:

(Amt ₹ in Million)

Particulars	Amt
Fixed Assets	641.61
Surplus Assets - Bharuch Land	77.20
Working Capital	775.33
Intangibles	401.70
Cash & Cash Equivalents	231.50
Investments	143.26
Deffered Tax	10.59
Net Assets	2,281.18
Purchase Consideration	2,307.70
Goodwill	**26.52**

2 During the year one of the Subsidiaries, Dorf Ketal Chemicals FZE vide purchase and sale agreement dated December 22, 2022, has acquired patents, 100% shares of Fluid Energy Ltd Canada and 100% shares of Fluid US Inc. For the purpose, the assets of Fluid Energy Ltd, Canada and Fluid US Inc have been fair valued and goodwill has been recognised as under:

a) Fluid Energy Ltd. Canada

(Amt ₹ in Million)

Particulars	Amt
Total Assets	1896
Total Liabilities	488
Net Assets	1408
Purchase Consideration	1959
Goodwill	**551**

b) Fluid US Inc.

(Amt ₹ in Million)

Particulars	Amt
Total Assets	312
Total Liabilities	70
Net Assets	242
Purchase Consideration	347
Goodwill	**105**

Dorf Ketal Chemicals (I) Private Limited

Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

(Amt ₹ in Million)

		As at 31st March, 2023		As at 31st March, 2022	
5	**Non-Current Investments**				
	Investment in Associates / Joint Ventures / Others:				
	Dorf Ketal Speciality Chemicals sdn Bhd	1		0	**0**
	(49,000 Equity Shares of MYR 1/- each fully paid up)	-			
	Add : Share of Profit/(Loss)	6	7		
	Aritar Private Limited	3		3	
	(Equity Shares (PY) of each fully paid up)	-		0	
	Add : Share of Profit/(Loss)	-2	0	-1	1
	Trentar Private Limited	7		7	
	(65,00,000 Equity Shares (PY Nil) of Rs. 1 each fully paid up)	-			
	Add : Share of Profit/(Loss)	-5	2	0	7
	Biospin PTE ltd	-	-	20	20
	(14.30% held)	-			
	Dorf Ketal Tribond International Company LLC (Joint venture)	127			
	(61,20,000 Shares (PY Nil) of SAR 1 each fully paid up)				
	Add : Share of Profit/(Loss)	-49	78		
	Investments (B)		**87**		**28**
	Aggregate amount of quoted investments and market value thereof				-
	Aggregate amount of Unquoted investments				-
	Aggregate amount of impairment in the value of investments				-
	TOTAL		**87**		**28**

			Figures in ₹		Figures in ₹
6	**Other non - current investments**				
	Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Investments measured at Fair Value through Profit and Loss (FVTPL)				
	(a) Investments in Equity Instrument (Unquoted), Fully Paid up.				
	- Bharat Co- operative Bank Ltd.		0		0
	(25 Equity Shares (PY - 25) of ₹ 10 each fully paid up)				
	- CETP, MIDC Taloja		0		0
	(5 Equity Shares of Rs. 100/- each fully paid up)				
	(b) Other				-
	TOTAL		**0**		**0**
	Aggregate amount of quoted investments and market value thereof		-		-
	Aggregate amount of Unquoted investments		**0**		**0**
	Aggregate amount of impairment in the value of investments		-		-

			Figures in ₹		Figures in ₹
7	**Loans - Non current financial asset**				
		As at 31st March, 2023		As at 31st March, 2022	
	(a)Loans to Related parties:				
	(i) Secured, Considered Good				
	(ii) Unsecured, Considered Good				
	Related Parties	307	**307**	69	69
	(b) Others				
	Loans to Employees	48		53	
	Other Loans	-	**48**	-	**53**
	TOTAL		**355**		**122**

			Figures in ₹		Figures in ₹
8	**Non- Current financial Assets - Others**				
		As at 31st March, 2023		As at 31st March, 2022	
	(a) In Term deposits with bank remaining maturity exceeding 12 months		23		32
	(b) Balance with bank to the extent held as margin money against bank guarantee and letter of credit		62		16
	TOTAL		**84**		**48**

			Figures in ₹		Figures in ₹
9	**Income tax assets (net)**				
		As at 31st March, 2023		As at 31st March, 2022	
	Advance income tax (net of provision)		201		591
			201		**591**

			Figures in ₹		Figures in ₹
10	**Other Non-Current Assets**				
		As at 31st March, 2023		As at 31st March, 2022	
	(a) Advances Other than Capital Advances				
	(ii) Other Advances to Related Party	4		4	
	(iii) Security Deposits	55	59	36	40
	(b) Others				
	(i) Indirect Tax balances/credits	47		16	
	(ii) Recovery From Creditors	1		-	-
	(iii) Prepaid Lease Rental	44	92	48	64
	TOTAL		**151**		**104**

(Amt ₹ in Million)

11	Inventories		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	(Valued and Certified by Management)				
	(At Cost or NRV whichever is lower)				
	Raw Materials	3,709		2,240	
	Materials in Transit	60		16	
	Packing Materials , Stores and Consumables	97		87	
	Stock in Process	48		-	
	Finished Goods	7,044		3,791	
	Less : Reserve For Obsolescence	-	**10,958**	-	**6,134**
	TOTAL		**10,958**		**6,134**

(i) The mode of valuation of inventory has been stated in Note 1.4 (e)
(ii) Inventories have been pledged as security for borrowings

12	Current Investments		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	Investments in Mutual Funds - Quoted - Cost/Market Value:				
	Investments		26		1,534
	Investments in Equity - Unquoted - Cost/Market Value:				
	Investments		664		620
	TOTAL		**691**		**2,154**

13	Trade Receivables		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	Unsecured, considered good :				
	(b) Trade Receivables considered good - Unsecured;	9,821		6,600	
	(c) Trade Receivables which have significant increase in Credit Risk	-		-	
	(d) Trade Receivables - credit impaired	-		-	
	(Less:) Allowance as per Expected Credit Loss Model	(154)	**9,668**	(134)	**6,465**
	TOTAL		**9,668**		**6,465**

14	Cash and Bank Balances		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	(a)Cash on Hand		4		2
	(b) Balances with Banks (of the nature of cash and cash equivalents)				
	In Current Accounts	765		7	
	In Foreign Currency Accounts	2,704		1,733	
	Others	-	3,469	-	1,740
	(Balance in Cash Credit Accounts)				
	(c) Term deposits with bank with original maturity of less than 3 months		6		33
	TOTAL		**3,479**		**1,775**

14.1	Bank balances other then cash and cash equivalents		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	(a) Term deposits with bank original maturity of more than 3 months and less than 12 months		690		423
	(b) Balances with banks to the extent held as margin money against bank guarantees and letter of credit having original maturity less than 12 months		43		58
	TOTAL		**733**		**482**

15	Loans - current financial assets		Figures in ₹		Figures in ₹
		As at 31st March, 2023		As at 31st March, 2022	
	Balance with Customs, Central Excise etc.	-		-	
	Security Deposits	17		19	
	Recovery Taxes and Contributions	-		0	
	Others	150	**167**	134	**153**
	TOTAL		**167**		**153**

16	Other Financial Assets				
		As at 31st March, 2023		As at 31st March, 2022	
	Mark to Mark liability as per Bank (Derivative contract)	-		10	
	Derivatives designated as Cash Flow Hedge	-		116	
	Interest accrued on fixed deposit	16		1	
			16		127
	TOTAL		**16**		**127**

(Amt ₹ in Million)

17	**Other Current Assets**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	(a) Advances other than capital advances				
	(i) Advances to related party	-		-	
	(ii) Advance to staff	15	**15**	19	**19**
	(b) Others				
	(i) Balance with Customs, Central Excise etc.	552		666	
	(ii) Prepaid expenses	152		53	
	(iii) Prepaid Lease Rentals (Current Portion)	3		3	
	(iv) Receivable from Leave Encashment Trust	-		7	
	(v) Others	46	**753**	6	**736**
	TOTAL		**768**		**755**

18	**Share Capital**		**Figures in ₹**		**Figures in ₹**
		No. of shares	**Amount**	No. of shares	**Amount**
	Authorised:				
	25,461,000 equity shares of Rs. 100/- each	25	2,546	25	2,546
	540,000 Preference Shares of Rs. 10/- each	1	5	1	5
	Issued, Subscribed and Paid up :				
	24,676,548 equity shares of ₹ 100 each fully paid		2,468		2,468
	Share Application Money		-		-
	TOTAL	-	**2,468**	-	**2,468**

18.1	**and at the end of the year**		**Figures in ₹**		**Figures in ₹**
	Particulars	**As at 31st March, 2023**		**As at 31st March, 2022**	
	Equity Shares at the beginning of the year		25		18
	Add : Bonus Shares issued during the year*		-		7
	Equity Shares at the end of the year		**25**		**25**
	The Company allotted Nil equity shares (PY 70,50,442) as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to 70.5 crore in the quarter ended 30th Jun, 2021, pursuant to an special resolution passed after taking the consent of shareholders				
	Menon Family Holdings Trust	1,72,77,150	**98.02%**	1,72,77,150	**98.02%**

18.2 **Rights of Shareholders**

The Company has only one class of equity shareholders Each holder of equity shares is entitled to one vote per share.

(Amt ₹ in Million)

			Figures in ₹		Figures in ₹
19	**Other Equity**	As at 31st March, 2023		As at 31st March, 2022	
	Capital Reserve		299		269
	Securities Premium				
	Opening balance	1,156		1,156	
	Add: Received during the Year	-		-	
			1,156		**1,156**
	Capital Redemption Reserve		20		20
			-		-
	Amalgamation Reserve		0		0
			-		-
	Statutory Reserve		3		3
			-		-
	Foreign Exchange Capital Reserve		250		159
			-		-
	Foreign Currency Translation Reserve		75		60
			-		
	Revaluation Reserve		102		
	General Reserve				
	Opening balance	109		109	
	Add: Transferred from Profit and Loss Account	-		-	
			109		**109**
	Retained Earnings / Surplus				
	Opening balance	11,083		9,110	
	Less: Transfer to Special Economic Zone Re-investment Reserve	-170		-237	
	Less: Utilised for issue of Bonus Share	0		-705	
	Add: Adjustment result in Brasil due to Argentina and Colombia	8		-6	
	Add: Previous years (Profit/(Loss)	0		0	
	Add: Other Equity distribution	-69		-34	
	Add: Prior period Adjustments	0		0	
	Add: Utilisation of Special Economic Zone Re-investment Reserve	138		0	
	Add: Losses taken over	-63		0	
	Add: Profit for the year(Excluding Non-Controlling Interest)	4,262	-	2,330	
		15,190		**10,458**	
	Less : Appropriations	-		-	
	Transferred to General Reserve	-		-	
	Proposed Dividend	-		-	
	Tax on Proposed Dividend	-		-	
			15,190		**10,458**
	Other Comprehensive Income				
	(i) Effective Portion of Cash Flow Hedge				
	Opening balance	57		4	
	Add/(Less): Changes in Fair Value during the year	-61		52	
	Add/(Less): Re-classified to Profit & Loss A/c during the year	2	**(2)**	-	**57**
	(ii) Remeasurements of Defined Benefit Liability/(Asset)				
	Opening balance	-23		-18	
	Liability/(Asset) during the year	-14	**(37)**	-5	**(23)**
	Special Economic Zone Re-investment Reserve				
	Opening balance	237			
	Add/(Less): Transfer During Year	170			237
	Add/(Less): Utilisation During the Year	-138	**269**		
	TOTAL		**17,435**		**12,505**
20	**Non Controlling Interest**		380		235
	TOTAL		**380**		**235**

		Figures in ₹	Figures in ₹
21	**Long Term Borrowings**	As at 31st March, 2023	As at 31st March, 2022
	From Banks		
	- Working Capital Term Loan (Note 1)	177	16
	- Other term Loans (Note 2)	4,927	0
	- Vehicles (Note 3)	98	696
	Loan from Bank - Brazil###	86	67
		5,288	**779**
	Unsecured Loans		
	From Others		
	Loan from Group Companies	11	-
	- Vehicles (Note 3)	15	-
		26	**-**
	TOTAL	**5,315**	**779**

1. Term Loan from Banks includes :
i. Working Capital Term Loan of ₹ 177 Million (PY ₹ 270 Million) is repayable in monthly instalments over a period of 4 years starting from March 2022
2. Other Term Loan from Banks includes :
i. External Commercial Borrowings of ₹ Nil (PY ₹ 51 Million), repayable in 15 quarterly instalments starting from December 2019
ii. Loan of ₹ Nil (PY ₹ 92 Million), repayable in quarterly instalments over a period of 26 months starting from December 2021
iii. Rupee Term Loan of ₹ 243 Million (PY ₹ 284 Million), repayable in quarterly instalments over a period of 39 months starting from September 2023
iv. Loan of $ 57 Million is for the period of 60 months. Repayment will be in 16 quarterly instalments starting from 15 months from the date of drawdown. The loan will accrue interest at a rate of

3. Working Capital Term Loan from Banks is secured by a second charge on the Stocks and Receivables and moveable fixed assets consisting plant and machinery located at Mundra, Dahej, Lote an
4. Other Term Loan from Banks are secured by a first pari passu charge on moveable and immoveable fixed assets both present and future located at Mundra, Dahej, Lote and Dadra plants.
5. Term Loan from Banks carry interest rates ranging from 4.15% to 6.60%.
6. Vehicle Loans carry interest rates ranging from 6.90% to 9.80% and secured by the respective Vehicle purchase.
7. Term loan from Bank - ₹ 280 Million (PY 2022 ₹ 387 Million) which is repayable within 12 months has been grouped under Current financial liabilities - Borrowings.
8. Vehicle loan ₹ 33 Million (PY 2022 ₹ 9 Million) which is repayable within 12 months has been grouped under Current financial liabilities - Borrowings.

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

(Amt ₹ in Million)

22	**Deferred Tax Asset / (Liability)**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	Opening Balance		179		237
	Add : Deferred Tax Liability created during the year		-27		26
	Deferred Tax impact on IndAS Adjustments (net)		-95		25
	Other Deferred TaxAdjustments		86		39
	Add: Mat Credit Entitlement		-		-
	TOTAL		**143**		**328**
23	**Other non-current liabilities**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	Lease Liability		55		63
	Others		2		2
	TOTAL		**56**		**64**
24	**Non - Current Liability - Provisions**		**Figures in ₹**		
	Particulars	**As at 31st March, 2023**			
	Provision for Long term Compensated Absences		26		2
	Provision for Gratuity		54		16
	Total		**80**		**18**
25	**Short Term Borrowings**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	Secured				
	(i) Loans From Bank (Repayable on demand)				
	Foreign Currency Demand Loans	-		-	
	Working Capital Demand Loans	5,110		2,256	
	Loan From Bank- Brazil	157		331	
	Line of Credit from Banks	3,430		1,159	
			8,697		**3,747**
	Current Maturities of long term debt	280		387	
	Current maturities of finance lease obligations	33		9	
			313		**396**
	TOTAL		**9,010**		**4,143**
26	**Trade Payables**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	(a) Dues to Micro and Small Enterprises (Refer Note 50)		26		8
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,532		2,047
	TOTAL		**2,558**		**2,055**
27	**Other Current Financial Liabilities**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	Current Maturities of long term debt		-		-
	Current Maturities of Finance lease		-		-
	Derivatives Contract - Fair Value Hedge		6		-
	Derivatives Contract - Cash Flow Hedge		22		-
	TOTAL		**28**		**-**
28	**Other Current Liabilities**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	(a) Employee Benefit Expenses Liability				
	(b) Other Payables:				
	- Statutory Dues		594		491
	- Liabilities for Expense		361		350
	- Derivatives designated as Cash Flow Hedge		0		0
	- Others		360		149
	TOTAL		**1,315**		**991**
29	**Short-term provisions**		**Figures in ₹**		**Figures in ₹**
		As at 31st March, 2023		**As at 31st March, 2022**	
	Provision for Employee Benefits		790		834
	Other Provisions		3		91
	TOTAL		**793**		**925**
30	**Revenue From Operations**		**Figures in ₹**		**Figures in ₹**
		2022-23		**2021-22**	
	Net Sales		39,263		26,780
	TOTAL		**39,262**		**26,780**

(Amt ₹ in Million)

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
31	**Other Income**				
	(a) Interest				
	Interest on Fixed Deposits	20		8	
	Interest Other				
	Interest on Loan	23		1	
			42		**9**
	(b) Dividend				
	From Long Term Investments	-		-	
			-		-
	(c) Other non-operating Income				
	Profit on Sale of Mutual Fund	18		25	
	Profit on sale of fixed assets (Net)	40		5	
	Rental Income	0		0	
	Investments classified at FVTPL	-35		0	
	Derivatives at FVTPL	0		0	
	Exchange Difference (net)	-73		0	
	Miscellaneous Income	395		319	
	Exchange differences with reference to hedge	-28		102	
	Exchange Gain / (Loss)	260		57	
	Mark to Market Impact on Derivative	-2		15	
			574		**523**
	TOTAL		**616**		**532**

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
32	**Cost of Materials Consumed**				
	Opening Inventory	2,688		1,281	
	Add: Purchases	21,956		15,837	
	Less: Closing Inventory	3,856		2,337	
	Net Cost of Material		20,788		14,781
	TOTAL		**20,788**		**14,781**

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
33	**Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-trade**				
	Inventories (At Close)				
	Finished goods and Work-in-Process		1,470		1,096
			-		
	Inventories (At Commencement)		-		
	Finished goods and Work-in-Process		1,218		1,202
			-		
	TOTAL		**(252)**		**105**

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
34	**Employee Benefits Expense**				
	Salaries and Wages		4,685		3,435
	Contribution to Provident and Other Funds		326		255
	Staff Welfare Expenses		131		102
	TOTAL		**5,142**		**3,793**

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
35	**Finance Costs**				
	Interest Expenses				
	On Working Capital Loans	333		154	
	On Foreign Currency Loans - Packing Credit	-		-	
	On Foreign Currency Loans - Buyers Credit	-		0	
	On Foreign Currency Loans - Secured Long Term	-		-	
	On Secured Long Term Loan (Net of Interest Capitalised 16 million (PY Nil)	57		10	
	On Other Loans	68		-1	
			458		**163**
	Other Borrowing Costs				
	Amortization of borrowings		-		-
	Bank Charges		30		19
	Other Interest		11		24
	Mark to Market Impact on Derivative		0		0
	Exchange differences regarded as an adjustment to borrowing cost		0		0
	Finance Cost		9		4
	Hedge Cost On Interest- Foreign Currency Loans		2		13
	Net (Gain)/Loss from Foreign Currency Transactions & Translations		-		-
	TOTAL		**509**		**223**

			Figures in ₹		Figures in ₹
		2022-23		2021-22	
36	**Depreciation and amortisation expense**				
	Depreciation and Amortisation		915		686
	TOTAL		**915**		**686**

Dorf Ketal Chemicals (I) Private Limited
Notes on Consolidated Financials Statements for the Year Ended March 31, 2023

(Amt ₹ in Million)

37	Other expenses		Figures in ₹		Figures in ₹
		2022-23		2021-22	
	Manufacturing Expenses				
	Stores and Consumables	113		95	
	Power, Fuel and Water Charges	581		375	
	Labour Cost	217		225	
	Repairs-	0		0	
	Building	20		7	
	Plant and Machinery	227		119	
	Others	35		12	
	Testing Charges	16		48	
	Rent	102		59	
	Property Tax	0		0	
	Material Handling Chgs	0		0	
	Health, Safety & Environment related Expenses	46		37	
	Miscellaneous Manufacturing Expenses	545		267	
			1,901		**1,245**
	Administrative Expenses				
	Payments to Auditors	-		-	
	Electricity Expenses	14		14	
	Telephone Expenses	24		28	
	Conveyance and Travelling	346		160	
	Printing and Stationary	9		7	
	Training and Recruitment Charges	17		14	
	Legal and Professional Charges	374		247	
	Insurance	105		100	
	Rent, Rates and Taxes	64		77	
	Vehicle Exp	21		49	
	Meeting and Conference chgs	9		1	
	Computers and Networking Charges	47		41	
	Office Expenses	60		65	
	Exchange Difference (net)	9		140	
	Corporate Social Responsibility	39		16	
	Political Contribution	0		0	
	Other Administrative expenses	522		89	
			1,659		**1,047**
	Selling and Distribution Expenses				
	Advertising and Publicity	2		2	
	Business Promotion Expenses	51		39	
	Royalty	6		2	
	Commission	69		111	
	Clearing, Forwarding & Transportation	1,457		1,379	
	Bad Debts	-14		1	
	Allowance as per ECL Model	0		16	
	Balances Written Off	0		0	
	Others	994		223	
			2,566		**1,771**
	Research & Development (R&D) Expenses		141		118
	Impairment of non-current investment in Subsidiary		0		0
	Share of Loss of Equity accounted Associates		1		2
	Aritar Private Limited (Share of Loss of Equity accounted Associates)		2		1
	Trentar Private Limited (Share of Loss of Equity accounted Associates)		5		0
	DK TRIOND (Share of Loss of Equity accounted Joint venture)		49		
	TOTAL		**6,324**		**4,184**

37.1	Exceptional Items		Figures in ₹		Figures in ₹
		2022-23		2021-22	
	Impairment Loss of non-current investment	13		-	
	Profit on Sale of Non- Current Investment	-		-	
	Extra Ordinary expenses	205		39	
	Loss on Sale of Fixed Asset (Taloja)	-	**218**	162	**201**

38	Taxation		Figures in ₹		Figures in ₹
		2022-23		2021-22	
	Current Tax		1,336		801
	Deferred Tax		125		-56
	MAT Entitlement for Current Year		381		147
	Other Taxes		-		0
	TOTAL		**1,842**		**892**

As per our report of even date

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date: June 26, 2023
UDIN: 23112458BGYPSF1664

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

Subodh Menon
Director
DIN:00972842

DORF KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date: June 26, 2023

Rajdeep Shahane
Company Secretary

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(All Amounts in INR)

39 Financial Instruments

A. Capital Management

The Group's policy is to maintain a strong capital base so as to ensure that the Group is able to continue as going concern to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends to ordinary shareholders.

Its guiding principles

i) Maintenance of financial strength to ensure the highest ratings;
ii) Ensure financial flexibility and diversify sources at financing;
iii) Manage Group exposure in forex to mitigate risks to earnings;
iv) Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and

The gearing ratio at the end of the reporting period are as under:

(Amt ₹ in Million)

Particulars	**Amounts in Rs.**		
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
Total borrowings	14,324	4,922	3,098
Less: Cash and bank balances	4,213	2,256	2,874
Net debts	10,112	2,666	223
Total equity	19,902	14,973	12,366
Capital gearing ratio (%)	50.81%	17.80%	1.80%

B. Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

i) The fair value of investment in quoted Equity shares and Mutual funds is measured at quoted price or NAV
ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
iv) The fair value of the remaining financial instruments is as:
- Carrying amount of **"Current Financial Instruments"** is considered as its Fair Value as it approximates their fair value largely due to short term maturities of these financial instruments

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

C. Fair value measurement hierarchy:

Particulars	**As at March 31, 2023**				**As at March 31, 2022**			
		Level of input used in				**Level of input used in**		
	Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**
(a) Financial Assets								
(i) <u>At Amortised Cost</u>								
- Loan (Current and Non current)	522	-	-	-	275	-	-	-
- Term Deposit and Margin Money (Non current portion)	84	-	-	-	48	-	-	-
- Trade receivables	9,668	-	-	-	6,465	-	-	-
- Cash and cash equivalents	3,479	-	-	-	1,775	-	-	-
- Bank balances other then cash and cash equivalents	733	-	-	-	482	-	-	-
- Others Financial Assets(Current)	16	-	-	-	127	-	-	-
					-	-	-	-
(ii) <u>At FVOCI</u>					-	-	-	-
					-	-	-	-
					-	-	-	-
(iii) <u>At FVTPL</u>					-	-	-	-
- Investments in Equity Instruments **(Unquoted)**	0	-	-	0	0	-	-	0
- Investments in MUTUAL Funds **(Quoted)**	691	691	-	-	2,154	2,154	-	-
- Mark to Mark Value of Derivative contracts designated as Fair Value Hedge	-	-	-	-	10	-	10	-
- Mark to Mark Value of Derivative contracts designated as Cash Flow Hedge	-	-	-	-	-	-	-	-
					-	-	-	-
					-	-	-	-
(b) Financial Liabilities					-	-	-	-
(i) <u>At Amortised Cost</u>					-	-	-	-
- Borrowings (Current and Non current)	14,324	-	-	-	4,922	-	-	-
- Trade Payables	2,558	-	-	-	2,055	-	-	-
- Other Financial Liabilities	28	-	-	-	-	-	-	-
					-	-	-	-
(ii) <u>At FVTPL</u>					-	-	-	-
- Mark to Mark Value of Derivative contract designated as Cash Flow Hedge	-	-	-	-	-	-	-	-
- MTM Value of Derivatives Contracts - Designated as Fair Value Hedges	-	-	-	-	-	-	-	-
					-	-	-	-
					-	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:
i) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of the mutual funds are valued using the closing NAV. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.

iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. The Company owns unlisted equity shares in companies, which are non-profit companies providing facilities for treating effluents generated during its manufacturing process. In the absence of any observable market data in relation to the said companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been considered same as cost as at the reporting date.

Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2023:

Particulars	**Unquoted Equity**
As at April 1, 2022	0
Gains/losses recognised in other comprehensive income	-
As at March 31, 2023	0

<u>Fair value of Financial Assets and Financial Liabilities that are not measured at Fair Value (but fair value disclosures are required)</u>

Carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, margin money and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their fair value largely due to short term maturities of these instruments

40 Financial risk management

Risk management framework

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company has exposure to the following risks arising from financial instruments:
A) Credit risk;
B) Liquidity risk;
C) Market risk; and

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans investment in debt securities and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:
i) Actual or expected significant adverse changes in business;
ii) Actual or expected significant changes in the operating results of the counterparty;
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
iv) Significant increase in credit risk on other financial instruments of the same counterparty;
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.
Ageing for trade receivables – current outstanding as at March 31, 2023

Particulars	Outstanding for Following Period from Due Date of Payment					
	Less than 6 months	**6 months- 1 year**	**1-2 Year**	**2-3 Years**	**More than 3 Years**	**Total**
Other Debtors	9,652	158	3	6	3	9,821
Less : Allowances for ECL	-	-	-	-	-	-154
					Total	9,668

(Amt ₹ in Million)

Ageing for trade receivables – current outstanding as at March 31, 2022

Particulars	Outstanding for Following Period from Due Date of Payment					
	Less than 6 months	**6 months- 1 year**	**1-2 Year**	**2-3 Years**	**More than 3 Years**	**Total**
Other Debtors	6,121	344	119	0	17	6,600
Less : Allowances for ECL						-134
					Total	6,465

(ii) Investment in debt securities
Investment in debt securities are in mutual funds.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

(iii) Investments in Equity Instruments (Quoted/ Unquoted)
Investment in Equity Instruments are Unquoted Equity Instruments of Subsidiaries and Joint Ventures as well as Unquoted Equity of Bharat Co-operative Bank Ltd.

The Company does not expect any losses from non-performance by these counter-parties

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

(iv) Cash and cash equivalents
The Company held Cash and Cash Equivalents of ₹ 3479 Million as at March 31, 2023 (₹ 2344 Million as at March 31, 2022). The Cash and Cash Equivalents comprises of Cash on Hand, Term Deposits having original maturity less than 3 months and Banks Balances.

The Cash and Cash Equivalents representing term deposits less than original maturity less than 3 months and the Bank Balances are held with banks. The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing

The Company does not expect any losses from non-performance by these counter-parties

(v) Bank Balances other than Cash and Cash Equivalents

The Company held Bank Balances Other than Cash and Cash Equivalents of ₹ 733 Million as at March 31, 2023 (₹ 530 Million as at March 31, 2022).
These balances represents term deposits having original maturity more than 3 -12 months; term deposits with remaining maturity more than 12 months on the reporting date & Balances with banks to the extent held as margin money against Bank guarantees and letter of credit for the period having original maturity between 3 - 12 months as well as remaining maturity more than 12 months on the reporting date.
The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing

(vi) Other Financial Assets
These assets represents balances receivables in nature of Insurance Claim , Interest accrued on Term/ Fixed Deposits
The Company does not expect any losses from non-performance by these counter-parties

(vii) Derivatives
The derivative contracts are entered into with scheduled banks which have good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits

The Company does not expect any losses from non-performance by these counter-parties

(Amt ₹ in Million)

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has obtained fund and non-fund based working capital facilities from various domestic as well as foreign banks.

The following are the remaining contractual maturities of Derivative financial liabilities & Non - Derivative Liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments as and where applicable-

Exposure to liquidity risk

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying Amount	Contractual cash flows		Carrying Amount	Contractual cash flows	
		Upto 1 year	> 1 year		Upto 1 year	> 1 year
(A) Non Derivative Financial Liabilities						
(a) Non-Current Borrowing	5,315	-	5,315	779	-	779
(b) Current Borrowings	9,010	9,010	-	4,143	4,143	-
(c) Trade Payables	2,558	2,558	-	2,055	2,055	-
(d) Others	28	28	-	-	-	-
(A)	**16,910**	**11,596**	**5,315**	**6,977**	**6,198**	**779**
(B) Derivative Financial Liabilities						
(a) MTM Value of Derivatives Contracts - Designated as Cash Flow Hedges	22	22	-	-	-	-
(b) MTM Value of Derivatives Contracts - Designated as Fair Value Hedges	6	6	-	-	-	-
(B)	**28**	**28**	**-**	**-**	**-**	**-**
Total Financial Liabilities (A) + (B)	**16,938**	**11,624**	**5,315**	**6,977**	**6,198**	**779**

The following table details the Company's expected maturity for its Non-Derivative financial assets and Derivative Financial Assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**As at March 31, 2023**			**As at March 31, 2022**		
	Carrying Amount	**Contractual cash flows**		**Carrying Amount**	**Contractual cash flows**	
		Upto 1 year	**> 1 year**		**Upto 1 year**	**> 1 year**
(A) Non Derivative Financial Assets						
(a) Investments	0	-	0	0	-	0
(b) Trade receivables	9,668	9,668	-	6,465	6,465	-
(c) Cash and cash equivalents	3,479	3,479	-	1,775	1,775	-
(d) Bank balances other then cash and cash equivalents	733	733	-	482	482	-
(e) Loans	167	167	-	153	153	-
(f) Others Financial Assets	16	16	-	12	12	-
(g) Long Term Borrowings	355	-	355	122	-	122
(i) Others Non Current Financial Assets	84	-	84	48	-	48
(A)	**14,503**	**14,064**	**439**	**9,056**	**8,886**	**170**
(B) Derivative Financial Assets						
(a) Derivatives Instruments	-	-		116	116	-
(B)	**-**	**-**	**-**	**116**	**116**	**-**
Total Financial Assets (A) + (B)	**14,503**	**14,064**	**439**	**9,172**	**9,002**	**170**

Net Gains (Losses) on fair value changes

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Investments classified at FVTPL	-	1,534
Investments Designated at FVTPL	-	-
Derivatives at FVTPL	-	10
Other Financial Instruments designated	-	-
Reclassification adjustments	-	-
Reliased gainon Debt investments	-	-
Others(to be specified)	-	-
Total Net Gain (Losses) on Fair Value		35

C. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. Market risk comprises three types of risk: Currency risk, Interest rate risk and Other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in the United States, Middle East, Singapore, Malaysia and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected positively/adversely as the rupee appreciates/ depreciates against these currencies. The Company evaluates exchange rate exposure arising from these transactions and enters into foreign exchange Derivative contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Company has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

Hedge Accounting

Currency risk-Transactions in foreign currency

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of income.

Interest Rate Risk

The company doesn't have any interest rate risk w.r.t. Hedge for Transactions in Foreign Currency

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

Disclosures of Effects of Hedge Accounting

A. Fair Value Hedge

(i) Hedging Instrument

Type of Hedge & Risk	Carrying Amount		Changes in FV	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Forward Contracts	9	-	-9	Other current financial liabilities
Forward Contracts(Loans)	-	-	-	Other current financial liabilities
Option Contracts	-	-	-	Other current financial liabilities
Interest Rate Swap	-	3	3	Other current financial liabilities
(b) Other Risk (if any)	-	-	-	-

(ii) Hedging Item

Type of Hedge & Risk	Carrying Amount		Changes in FV Asset / (Liability)	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Long term loans(ECB & FCNR)	-	303	-3	Borrowings
Trade Receivables	1,577	-	9	Trade Receivables
Trade Payables	-	-	-	Trade Payables
(b) Other Risk (if any)	-	-	-	-

B. Cash Flow Hedge

(i) Hedging Instrument

Type of Hedge & Risk	Carrying Amount		Changes in FV Asset / (Liability)	Line item in Balance Sheet
	Assets	Liabilities		
(a) Foreign Currency Risk				
Forward Contracts	102		102	Other Financial Assets
Option Contracts	14		14	Other Financial Assets
(b) Other Risk (if any)				

(ii) Hedging Item

Type of Hedge & Risk	Hedging Reserve	Changes in FV	Line item in Balance Sheet
(a) Foreign Currency Risk			
Highly Probable Exports	116	116	Other Comprehensive Income-Other Equities
(b) Other Risk (if any)	-	-	-

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

Particulars of unhedged foreign currency exposure as at the respective reporting dates -

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amt ₹ in Million)

Particulars	**As at March 31, 2023**	
	Amount in FC *	Amount in INR
(a) Trade Payables		
USD	2.39	196.16
AED	0.44	9.83
EUR	0.10	8.84
	-	-
(b) Foreign currency Loan Taken	-	-
Packing Credit/ Buyer's Credit	-	-
EUR	-	-
USD	-	-
USD	0.67	54.78
	-	-
Foreign currency loan (Asset)	-	-
USD	-	-
CHF	-	-
	-	-
(c) Export Trade Receivables	-	-
USD	50.32	4,134.89
EUR	11.80	1,055.32
MYR	7.58	141.23
CNY	7.57	90.41
KWD	0.55	147.45

Particulars	**As at March 31, 2022**	
	Amount in FC *	Amount in INR
(a) Trade Payables		
USD	5.80	439.60
EUR	0.15	12.49
CNY	0.07	0.85
	-	-
(b) Foreign currency Loan Taken	-	-
USD	3.33	252.64
	-	-
(c) Export Trade Receivables	-	-
EUR	6.67	561.59
USD	19.64	1,488.36
CNY	8.87	105.84
KWD	0.11	26.67
MYR	9.46	170.58

* FC - Foreign Currency

41 Related party disclosures

(i) Name of Related Party and the nature of Relationship

(a) Joint venture
DORF KETAL TRIBONDS INTERNATIONAL COMPANY LLC

(b) Associate Company
Aritar Private Limited
Trentar Private Limited

(c) Key Managerial Personnel (KMP)

Mr. Sudhir V. Menon	Chairman and Managing Director
Mr. Subodh V. Menon	Director
Mr. Mahesh Subramaniyam	Director
Mrs. Padmaja Menon	Director
Mr. Perumangode Ramaswamy	Director
Mr. Vijayaraghava Aniparambil Menon	Director
Mr. Pramod Menon	Director
Mr. Yogesh Ranade	Director
Mr. Vijaykumar Malpani	Group Finance Controller
Mr. Rajdeep Shahane	Company Secretary

(d) Enterprises over which Key Managerial Personnel are able to exercise significant influence.
Yaap Digital Pvt Ltd
Yaap Digital FZE
FFC Information Solution Pvt Ltd
Brand Planet Consultants India Pvt Ltd
Intnt Asia Pacific Pte Ltd
Oplifi Digital Pvt Ltd
Lajawaab Foods Pvt.Ltd
Rainmaker Ventures Pvt Ltd
Fobeoz India Private Limited.
GarudaUAV Soft Solutions Pvt. Ltd.
TM Aerospace Pvt. Ltd.
Trishula Advanced Composites and Electronics Private Limited
ATIR PROPERTIES PRIVATE LIMITED

(e) Employment benefit plan
Dorf Ketal Chemicals India Employee's Gratuity Fund.
Dorf Ketal Chemicals India Employee's Group Leave Encashment Fund.
Yaap Employees Welfare Trust

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

(ii) Transactions with Related Parties

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Associate		
Sale of Goods	125	-
Interest income	8	1
Re-imbursement of Expenses	1	0
Rent Received	0	0
Unsecured Loans Received / Repaid (Net)	55	-
Unsecured Loans Given / Repaid (Net)	276	-
Investments	-	7
	-	-
(b) Key Managerial Personnel (KMP)	-	-
Remuneration	1,759	1,292
Professional Fees	1	1
Rent Paid	14	14
(c)Enterprises over which Key Managerial Personnel are able to exercise significant influence.		
Sale of Fixed Assets	-	1
Purchase of Fixed Assets	-	1
Management Sharing Fees received	-	12
Recovery of Expenses	0	1
Rent Received	0	0
Business Promotion Expense/ Staff Welfare	5	6
Advertisement Charges	-	1
Software expense	0	-
Guest house expense	1	-
(d) Joint venture		
Investments	127	-

(iii) Balance Outstanding of Related Parties

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Associate		
Investments	9	9
Unsecured Loans	298	69
Trade Receivables	40	-
Creditors	1	-
(b)Enterprises over which Key Managerial Personnel are able to exercise significant influence.		
Receivables	3	4
Advance to Sundry Creditors	11	11
Loans & Advances	4	4
Creditors	2	0
(c) Joint venture		
Investments	127	-

(Amt ₹ in Million)

42 Contingent liabilities and commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities		
(a) In respect of Income Tax matters	42	43
- Others	-	-
(b) Guarantees excluding financial guarantees; and		
-In respect of Bank Guarantees	1,904	991
-In respect of Letter of Credit	201	504
-In respect of Corporate Guarantee issued In favour Subsidiaries, Sub Subsidiaries and Associates	205	-
Total	**2,352**	**1,538**

43 Dividend:

The following dividend were declared and paid by the Subsidiary Companies:

a. **Dividend paid to DK PTE by DK Malaysia**

Dorf Ketal Malaysia	
	INR
In respect of the financial year ended 31st March 2023	**13**
Final single tier dividend of RM 0.91 per share, declared on 8th August 2022 and paid on 20th January 2023	
In respect of the financial year ended 31st March 2022	
Final single tier dividend of RM 1.46 per share, declared on 11th October 2021 and paid on 21st October 2021	**21**

The directors recommended the payment of a final dividend of INR 26 Million (PY 13 Million) in respect of the financial year ended 31st March 2023

All the dividends paid or proposed in the current and prior years are single tier dividends with no income tax consequences to shareholder of the company.

(Amt ₹ in Million)

b. **Dividend paid to DKCIPL by DK PTE**

Dorf Ketal PTE				
	INR		INR	
	Rate Per Share		Total	
	2023	2022	2023	2022
Interim exempt(1-Tier) dividend declared	-	11.66	-	47
Final exempt(1-Tier) dividend paid	-	17.26	-	70

c. **Dividend paid to DKCIPL by DK Brasil**

Dorf Ketal Brasil			
BRL		INR	
Total		Total	
2023	2022	2023	2022
6.00	24.00	93	330

44 Segment Information:

Business Segment:

The Company has only one identifiable Business Segment i.e. Chemicals.

Geographic Segment:

The analysis of geographical segment is based on the geographical location of the customers.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Africa	27	460
America	6,618	9,241
Latin America	6,238	-
Asia	20,418	13,371
Europe	5,962	3,709
Total	**39,263**	**26,780**

1. The Group has common assets for producing goods for Domestic markets and Overseas Markets. Hence, separate figures for assets/additions to fixed assets and liabilities cannot be furnished.

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

45 Corporate Social Responsibility(CSR):

(a) CSR amount required to be spent by the companies is as per section 135 of the companies act 2013 read with schedule VII

(b) CSR Expenditure during the year:

Particulars	**FY 2022-23**	**FY 2021-22**
Education	25	5
Arts & Culture	2	2
Health	0	1
Skill Development		0
Sports Development	0	0
Covid-19		8
Nature	5	-
Water harvesting	6	-
Total	**39**	**16**

46 Fixed assets includes Research and Development (R&D) assets Gross Block as under:-

Figures in Rupees

Particulars	**Building – Factory**	**Plant & Machinery**	**Furniture & Fixtures**
As on 31st March, 2022	9	156	9
Additions		3	
As on 31st March, 2023	9	159	9

47 Accounts Payable Ageing

Ageing for trade payable – current outstanding as at March 31, 2023

Particulars	**Outstanding for Following Period from Due Date of Payment**					
	Less than 6 months	**6 months- 1 year**	**1-2 Year**	**2-3 Years**	**More than 3 Years**	**Total**
Creditors	2,558	-	-	-	-	2,558
					Total	2,558

Ageing for trade payable – current outstanding as at March 31, 2022

Particulars	**Outstanding for Following Period from Due Date of Payment**					
	Less than 6 months	**6 months- 1 year**	**1-2 Year**	**2-3 Years**	**More than 3 Years**	**Total**
Creditors	811	1,422	12	(1)	(0)	2,244
					Total	2,244

48 Group Information

1. The Consolidated Financials of the group includes Subsidiaries listed in the below table

Name	**Country of Incorporation**	**Percentage of Ownership Interest as at 31st March, 2023**	**Percentage of Ownership Interest as at 31st March, 2022**
Dorf Ketal Chemicals LLC	USA	100	100
Dorf Ketal Brasil Ltda	Brasil	80	80
Dorf Ketal B.V.	Netherlands	100	100
Dorf Ketal Chemicals FZE	UAE	100	100
Dorf Ketal Chemicals Pte Ltd	Singapore	100	100
Dorf Ketal Chemicals Shanghai Ltd	China	100	100
Dorf Ketal Chemicals SDN BHD	Malaysia	100	100
Dorf Ketal Chemicals UK Pvt. Ltd.	UK	100	0
Khyati Chemicals Pvt. Ltd.	India	100	0

(Amt ₹ in Million)

49 Material partly owned subsidiaries

Financial information of the subsidiaries that have material non controlling interest is provided below:

Name of the company	**31.3.23**	**31.3.22**
	In%	In%
Dorf Ketal Brasil LTDA	20	20

Information regarding non controlling interest

Particulars	**31.3.23**	**31.3.22**
	INR	INR
Accumulated Balances of non-controlling interest	380	235
Profit & loss allocated to material non-controlling interest	144	117

50 DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED)

S. No	**Name of the entity**	**Net Assets, i.e., total assets minus total liabilities**		**Share in profit or loss**		**Share in Other comprehensive income**		**Share in Total comprehensive income**	
		As % of consolidated net assets	**Amt**	**As % of consolidated profit or loss**	**Amt**	**As % of consolidated other comprehensive income**	**Amt**	**As % of consolidated profit or loss**	**Amt**
	Parent								
1	Dorf Ketal Chemicals India Pvt.Ltd	51.37%	12,542	36.61%	1,803	99%	-72	35.68%	1,731
	Subsidiaries								
1	Dorf Ketal Chemicals LLC	11.22%	2,739	17.33%	854	0%	-	17.59%	854
2	Dorf Ketal Brasil Ltda	7.62%	1,860	14.66%	722	0%	-	14.88%	722
3	Dorf Ketal B.V.	0.46%	113	0.69%	34	0%	-	0.70%	34
4	Dorf Ketal Chemicals FZE	4.49%	1,097	8.49%	418	0%	-	8.62%	418
5	Dorf Ketal Chemicals Pte Ltd	13.84%	3,380	14.09%	694	0%	-	14.30%	694
6	Dorf Ketal Chemicals (Malaysia) SDN. BHD	2.54%	619	2.72%	134	0%	-	2.76%	134
8	Dorf Ketal Chemicals (Shanghai) Ltd	0.93%	228	0.54%	27	0%	-	0.55%	27
9	Khyati Chemicals Pvt. Ltd.	7.45%	1,819	6.47%	319	0%	-1	6.55%	318
10	Dorf Ketal Chemicals UK Pvt. Ltd.	0.09%	21	-0.45%	-22	0%	-	-0.46%	-22
	Associate / Joint Venture								
1	Aritar Private Limited	0.00%	-	-0.05%	-2	0%	-	-0.05%	(2)
2	Trentar Private Limited	0.00%	-	-0.10%	-5	0.00%	-	-0.02%	(5)
3	Dorf Ketal Tribond International Company LLC			-1.00%	-49	0.00%	-	-0.20%	(49)
	Total	1	24,416	1	4,925	1	(73)	101%	4,852

Note: The Above recorded amounts are excluding interco elimination.

Dorf-Ketal Chemicals India Private Limited
Notes forming part of Consolidated Financial statements for the year ended March 31, 2023
(Amt ₹ in Million)

51 Goodwill on Consolidation

Name of the Entity	As at March 31, 2023	As at March 31, 2022
Khyati Chemicals Pvt. Ltd.	27	-
Filtra	513	513
Fluid Energy Ltd. Canada	551	
Fluid USA Inc.	102	
Acquired Goodwill	**1,193**	**513**

Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to benefit from that business combination.

The Group reviews carrying amount of goodwill and technical knowhow in order to determine whether there is any indication that goodwill, and technical knowhow has suffered any impairment loss.The Projected cash flows considered for each cash generating unit is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management. The gross margins, price inflation and cost projections are extrapolated for the years beyond the Budgeted period using a reasonable estimate. Based on the working it can be concluded that the recoverable amount exceeds the carrying amount of Goodwill and Technical Knowhow.

52 Non Controlling Interest

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	235	203
Share of Profit/Loss for the year	145	32
Non Controlling Interest on acquisition during the year	**380**	**235**

53 Previous Year's figures have been regrouped/reclassified, wherever necessary, to conform to the classification of Current year.

54 Approval of Financial Statements
The above Consolidated Financial Statements are approved by Board of Directors on June 26, 2023

For NGPC & CO.
Chartered Accountants
Firm Registration No: 145474W

Navnit S Gajja

NGPC & CO. 104, Argentum, Opp. Patkar College, S. V. Road, Goregaon (W), Mumbai-104. CHARTERED ACCOUNTANTS

Navnit S Gajja
Partner
Membership No:112458
Mumbai
Date : June 26, 2023
UDIN: 23112458BGYPSF1664

For and on behalf of the Board of Directors

Sudhir Menon
Chairman and Managing Director
DIN:00972842

Subodh Menon
Director
DIN:00972842

DORF-KETAL CHEMICALS INDIA PRIVATE LIMITED

Vijaykumar Malpani
Chief Financial Officer
Date : June 26, 2023

Rajdeep Shahane
Company Secretary